

July 20, 2020

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**REQUEST FOR SERVICES (RFS)
FOR
REVENUE RECOVERY SERVICES (RFS No. FRASMA 003-RRS)
ADDENDUM NO. 3**

This Addendum No. 3 to the Request for Services (RFS) for Revenue Recovery Services (RRS) as outlined below:

In accordance with RFS Section 17.0, the County of Los Angeles (County) Rights & Responsibilities, "The County has the right to amend, re-issue, or cancel this RFS by written addendum." This Addendum No. 3 amends this RFS as indicated below (new or revised language is shown in **highlight** and deleted language is shown in ~~strike through~~ for easy reference) and provides responses to the written questions received in accordance with RFS, Section 8.0 – Vendor's Questions.

MODIFICATIONS TO RFS

- 1) RFS Section 12.0 - VENDOR'S RESPONSE, 12.6, Vendor's Approach and Methodology (Section D), shall be amended as follow:

"Provide a detailed description not to exceed ~~two~~ **seven (27)** pages **in total**, of Vendor's approach and methodology **it intends to employ** to provide **all of** the required services as described in the following Sections of Attachment A, SOW ..."

COUNTY'S RESPONSES TO VENDOR'S WRITTEN QUESTIONS

Question 1: What is the name of the current vendor(s) and how long have they been doing this work?

Answer 1: The name of the current vendor is Nemadji Research Corporation Db a Nemadji, and this agreement has been in place for 12 years.

Question 2: How much was paid to the existing contractor(s) in fees by County Los Angeles, by year, in total and broken out by the services in the SOW:

- 2.1 Advocacy
- 2.2 Eligibility Verification, Advocacy, And Tracking Support (EVATS)
- 2.3 Revenue Recovery Services for Medi-Cal and Medicare;
- 2.4 Health Care Plans Billing Services (HCPBS) (i.e. Medi-Cal and Medicare HMO)
- 2.5 Commercial Insurance
- 2.6 Billing services for other government payers; and
- 2.7 Identification of Medicare Disproportionate Share Recovery Services (DSRS))

Answer 2: The County keeps track of accounts by Line of Business (LOB). Please see table below for the number of accounts, gross revenues the County received, and fees the County paid to the vendor for FY 2019/20.

Revenue Recovery Services FY 2019/20 TOTALS SUMMARY			
Line of Business	Number of Accounts	Gross Revenue	Total Fees
Insurance IP/OP	23	\$157,160.39	\$54,586.66
Medi-Cal IP/OP	5,703	\$4,952,051.09	\$697,708.22
Medicare IP/OP	14,655	\$4,383,540.84	\$1,097,681.02
Grand Totals	20381	\$9,492,752.32	\$1,849,975.90

Question 3a: Document Reference for Question 3a
PDF File Name: FRASMA-003 Revenue Recovery Services RFS 6-26-2020 (FOR RELEASE).pdf
Document Title: Request for Services (RFS) For Revenue Recovery Services RFS No. FRASMA 003-RRS
Section Number: 2.0
Page No: 1 (3)
Quoted Text: "Vendors who have previously been awarded a Financial and Revenue Ancillary Services Master Agreement (FRASMA) may respond to this RFS."

Question(s): Is Nemadji's Final Third Party Safety Net and Recovery Services Agreement (H-703452) a FRASMA Agreement?

Answer 3a: No. FRASMA is a new Master Agreement

Question 3b: Is Nemadji Research Corporation (dba Nemadji) required to respond to this solicitation with both an RFQ and an RFS?

Answer 3b: Please refer to Section 1.3, Overview of Solicitation Process of the RFQ. Yes, Nemadji is required to submit both a RFQ and a RFS.

Question 4: Document Reference for Question 4
PDF File Name: FRASMA-003 Revenue Recovery Services RFS 6-26-2020 (FOR RELEASE).pdf
Document Title: Request for Services (RFS) For Revenue Recovery Services RFS No. FRASMA 003-RRS
Section Number: Attachment A – Statement of Work, Section 2.3.1
Page No: 7 (29)
Quoted Text: "Contractor shall provide recovery of Medi-Cal and Medicare reimbursement for eligible patients according to Federal and State regulations and requirements."

Question(s): Are cases where the incorrect payer is attached to an account pursuable by contractor in an effort to recover corrected revenue?

Answer 4: Yes, it is the vendor's responsibility to identify the correct payor, bill the accounts, and ensure payment.

Question 5: Document Reference for Question 5
PDF File Name: FRASMA-003 Revenue Recovery Services RFS 6-26-2020 (FOR RELEASE).pdf
Document Title: Request for Services (RFS) For Revenue Recovery Services RFS No. FRASMA 003-RRS
Section Number: Attachment A – Statement of Work, Section 10.1
Page No: 24 (46)
Quoted Text: "The term "Incremental Revenue Recovered" as used in this Paragraph 10.0 – PROVISION FOR PAYMENT, shall include cash, credits, and transfers as a direct result of Contractor's RRS under this SOW."

Question(s): For accounts where the vendor converts the account to a corrected payer, would incremental revenue factor the fees earned based on the entire corrected payment?

Answer 5: The vendor will be paid on a contingency basis for this agreement. The contingency fee is based on the actual revenue the County receives directly resulting from the vendor's efforts pursuant to the agreement. The vendor shall only be paid if the County actually receives additional revenue. Therefore, only the incremental revenue recovered would be qualified to receive fees as a result of the vendor's efforts.

Question 6: Page 13, Section 12.6
1. Provide a detailed description, not to exceed two (2) pages of Vendor's approach and methodology to provide the required services as described in the following Sections of Attachment A, SOW:
2.1 Advocacy;
2.2 Eligibility Verification, Advocacy, And Tracking Support (EVATS);
2.3 Revenue Recovery Services for Medi-Cal and Medicare;
2.4 Health Care Plans Billing Services (HCPBS) (i.e. Medi-Cal and Medicare HMO);
2.5 Commercial Insurance;
2.6 Billing services for other government payers; and
2.7 Identification of Medicare Disproportionate Share Recovery Services (DSRS));

Q: Does LA County Prefer the vendor to provide a detailed description of the required services outlined within two pages per service or provide a detailed description of all services within two pages?

Answer 6: This requirement has been revised. Please refer to Modifications to RFS section of this Addendum No. 3.

Question 7: Attachment A – Statement of Work, 2.1 Advocacy Services
Q: Can the county provide average placement volumes in # and \$, by Financial Class, by age?

Answer 7: There are no placements for this agreement. The vendor is last in line and does not receive accounts that are ready to be billed. The vendor will receive a daily data dump of unpaid and self-pay accounts in order to find eligibility and third party resources for billing. The vendor will receive the daily data dump via Health Level 7 (HL7) transmissions.

Question 8: 2.2 Eligibility Verification, Advocacy, and Tracking Support (EVATS) Services
Q: Can the county provide average placement volumes in # and \$, by Financial Class, by age?

Answer 8: There are no placements for this agreement. Please refer to response to Question 7 above.

Question 9a: 2.3 Revenue Recovery Services of Medi-Cal and Medicare?
Q: Can the county provide average placement volumes in # and \$, by Financial Class, by age?

Answer 9a: Please refer to response to Question 7 above.

Question 9b: What systems are currently in use by the County and will the contractor have access to those systems? Patient Accounting, EMR, Billing Clearinghouse, etc.

Answer 9b: DHS has a mix of systems; Cerner and QuardaMed Affinity are the two major systems used by DHS. The vendor will have read only access to these systems at a County facility as determined by the County.

Question 9c: Will it be required to have full-time onsite presence within the County CBO by an employee of the contractor?

Answer 9c: No.

Question 9d: How long is the contractor permitted to keep and work accounts under this section?

Answer 9d: The vendor will be, unless otherwise determined by the County, permitted to keep and work accounts until account is adjudicated.

Question 10a: 2.4 Health Care Plan Billing Services
Q: Can the county provide average placement volumes in # and \$, by Financial Class, by age?

Answer 10a: Please refer to response to Question 7 above.

Question 10b: What systems are currently in use by the County and will the contractor have access to those systems? Patient Accounting, EMR, Billing Clearinghouse, etc.

Answer10b: Please refer to response to Question 9b above.

Question 10c: Will it be required to have full-time onsite presence within the County CBO by an employee of the contractor?

Answer 10c: Please refer to response to Question 9c above.

Question 10d: Is utilizing offshore staff for follow up services permitted?

Answer 10d: No.

Question 10e: 2.4.6 – Will claims be submitted using the County's current Billing Clearinghouse or will the Contractor need to provide one?

Answer10e: No, the vendor is responsible for billing the accounts identified.

Question 11a: 2.5 Commercial Insurance Billing Services (CIBS)
Q: Can the county provide average placement volumes in # and \$ by age?

Answer 11a: Please refer to response to Question 7 above.

Question 11b: What systems are currently in use by the County and will the contractor have access to those systems? Patient Accounting, EMR, Billing Clearinghouse, etc.

Answer 11b: Please refer to response to Question 9b above.

Question 11c: Will it be required to have full-time onsite presence within the County CBO by an employee of the contractor?

Answer 11c: Please refer to response to Question 9c above.

Question 11d: Is utilizing offshore staff for follow up services permitted?

Answer 11d: Please refer to response to Question 10d above.

Question 11e 2.5.6 – Will claims be submitted using the County's current Billing Clearinghouse or will the Contractor need to provide one?

Answer 11e: Please refer to response to Question 10e above.

Question 12a: 2.6 Billing and Recovery Services for Other Governmental Payers
Q: Can the county provide average placement volumes in # and \$, by Financial Class, by age?

Answer 12a: There are no placements for this agreement. Please refer to response to Question 7 above.

Question 12b: What systems are currently in use by the County and will the contractor have access to those systems? Patient Accounting, EMR, Billing Clearinghouse, etc.

Answer 12b: Please refer to response to Question 9b above.

Question 12c: Will it be required to have full-time onsite presence within the County CBO by an employee of the contractor?

Answer 12c: Please refer to response to Question 9c above.

Question 12d: 2.6.6 – Will claims be submitted using the County's current Billing Clearinghouse or will the Contractor need to provide one?

Answer 12d: Please refer to response to Question 10e above.

Question 13: 2.7 Medicare Disproportionate Share Recovery Services (DSRS)
Q: Can the county provide average placement volumes in # and \$ by age?

Answer 13: Please refer to response to Question 7 above.

Question 14: Attachment A-Statement of Work page 3, 1.0 SCOPE OF WORK Contractor shall provide Revenue Recovery Services (RRS) to current County Facilities listed in this Statement of Work (SOW), Attachment 1 – Department of Health Services Facility Locations, as well as any additional County Facilities as determined by Director or authorized designee (hereinafter referred to collectively as “Director”) and, at Director’s discretion with concurrence of Contractor, which have not yet been included in SOW, Attachment 1. Contractor shall provide RRS for accounts (i.e. inpatient, outpatient, etc.) referred to Contractor by County Facilities after the County’s own efforts and the efforts of its secondary and tertiary third party recovery contractors have been exhausted (“last-inline recovery services”). Contractor shall provide core services, as detailed in Paragraph 2.0, Services To Be Provided.

Q: Please clarify. This section states referrals will be after secondary and tertiary contractor’s efforts have been exhausted. Does this included uninsured patients referred for MediCal and other programs enrollment?

Answer 14: Yes.

Question 15a: 2.1 ADVOCACY SERVICES

2.1.1 Contractor shall obtain written consent from Director, on an account-by account basis, prior to performing any advocacy service.

Q: Please clarify. Timely referrals on in-patients while still inhouse is key to maintain high success rates. Can our representatives run daily census and self-refer uninsured patients?

Answer 15a: No, this is a last in line safety net service.

Question 15b: Please provide estimated number of referrals and total charges for MediCal/Third party programs eligibility enrollment services by patient type (IP, OP, ED).

Answer 15b: There are no referrals for this agreement. Please refer to response to Question 7 above.

Question 15c: Do you require on-site coverage at your acute hospitals?

Answer 15c: No.

Question 15c Do you require on-site coverage at your clinics and ambulatory centers?

Answer 15c: No.

Question 16: Are revenue recovery services (RRS) permitted to be performed and reimbursed to Contractor in a contingency fee based model?

Answer 16: This agreement will be awarded on contingency fee base model only. Please see response to Question 5 above.

Question 17: Is a contingency fee based model preferred?

Answer 17: This agreement will be awarded on contingency fee base model only. Please see response to Question 5 above.

Question 18: Does the County have a policy in place specific to the efforts that must be utilized prior to referral to the selected RRS Contractor? For example, timing, types of communication or the like and in combination of? If yes, please provide.

Answer 18: No.

Question 19: Is the County looking for a Contractor to meet all services as outlined in Attachment A, SOW, Paragraph 2.0, Services to Be Provided, or may the Contractor propose to provide only select or complimentary services?

Answer 19: Vendor will be required to provide all services as outlined in Attachment A, SOW of the RFS.

Question 20: Are DHS services provided with supporting medical and billing records in an electronic format? If not, what components are paper-based (e.g. medical documentation)?

Answer 20: Yes, the medical records are in electronic format.

Question 21: What is the payer mix, volume and associated revenue anticipated in a calendar year?

Answer 21: Please refer to response to Question 2 above.

Question 22: How does the County identify revenue recovery services? Please select all those that apply:

- a. Recovery of outstanding amount unpaid, not in review for benefit consideration or other denial reasons
- b. Identification of claims not paid in accordance to payer contracts, including underpayment and third party liability calculations
- c. Monitoring of key performance indicators tied to the following:
 - i. Insurance verification and financial liability
 - ii. contract performance
 - iii. charge capture
 - iv. coding and documentation quality
 - v. claims processing
 - vi. collections and recovery
- d. Identification and reporting of potential overpayments
- e. Identification and reporting of aberrant coding trends indicative of errors in the identification, capture and reporting of claims data
- f. Identification and capture of missed charge opportunities
- g. Development, education and implementation of denial avoidance Strategies
- h. Audit of claims for accuracy in coding and claims processing according to

payer requirements and industry standards; including but not limited to diagnosis and procedural coding, modifiers, condition codes, and billable units

- i. Performance of probate recovery strategies
- j. Calculation and reporting of Medicare bad debt
- k. Streamline the transfer of data across systems to improve interoperability (i.e. RPA/AI)

Answer 22: The County identifies revenue recovery services as described in the SOW, Attachment A.

Question 23: Please provide volumes with dollar and number of accounts by facility.

- ER, OBS, OP, IP
- HB v PB

Answer 23: Please refer to response to Question 2 above.

Question 24: Are you currently using a vendor for these services? If so, how many vendors are performing the services outlined in the scope?

Answer 24: Yes, the County currently uses one vendor to provide this service.

Question 25: What is the day of placement (1st placement or 2nd placement?)

Answer 25: Please refer to response to Question 7 above.

Question 26: What is the number of current staff (hospital or vendor) working the project?

Answer 26: The County does not have dedicated staff working on this project. However, the current vendor has 2 employees at a County facility.

Question 27: What is the onsite staffing requirement by facility?

Answer 27: None.

Question 28: When is the target go-live date?

Answer 28: Forty-five (45) days after the Work Order's Effective Date.

Question 29: What is the average charge per facility by IP and OP?

Answer 29: Inpatient average charge is \$10,000 per day and Outpatient average charge \$4,500 per visit.

Question 30: Is one vendor required to provide, and propose on, all the services outlined in the scope, including DSH (Disproportionate Hospital Reimbursement)?

Answer 30: Yes.

Question 31: Is it the expectation that one vendor will be awarded the entire book of business?

Answer 31: Yes.

Question 32: What is the implementation timeframe expectation? (i.e. the time between contract signing and go-live?)

Answer 32: Please refer to response to Question 28 above.

Question 33: What hospital system do each of the facilities use? (i.e. Cerner, Epic, etc.) Facilities referenced on pages 50-51 of the RFP?

Answer 33: Please refer to response to Question 9b above.

Question 34: Please clarify and expand upon 3.1.1.3. item C. which is found on page 4 of the RFP: Contractor shall search the uncompensated care account files, and Medi-Cal and Medicare Remittance files provided by County to identify, to the extent reasonably possible, all services eligible for Medi-Cal or Medicare reimbursement?

Answer 34: To the extent possible the Vendor shall review the information provided by the County in order to identify those services which were provided to the patient that are eligible for Medi-Cal or Medicare reimbursement. For example, assisting DHS patients with Fair Hearing cases to obtain eligibility or if a patient is recorded to only have Medicare coverage then vendor will assist in qualifying patient for Medi-Cal as appropriate.

This Addendum No. 3 is posted on the Department of Health Services (DHS) Contracts and Grants' website at <http://dhs.lacounty.gov/wps/portal/dhs/cg/>.